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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
OCTOBER 1957

Volume 2

Number 3

Released Pursuant to §1000.27 (j) and §1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

PUBLIC HEARING NOTICE

A hearing has been scheduled by the U.S. Department of Agriculture to begin at 10:00 a.m. December 3, 1957 to receive evidence with respect to proposed amendments to the Chattanooga Milk Order. The hearing will be held in the Patten Hotel, Chattanooga, Tennessee. Several amendments have been proposed for consideration both by Chattanooga Area Milk Producers' Association and certain Chattanooga Area Handlers.

One proposal is to establish appropriate Class I prices to be effective after the present temporary pricing provision expires February 28, 1958. The hearing will be open for general consideration of long-run Class I pricing methods, including automatic adjustments based on the relationship of supplies to demand.

Certain other proposals under consideration will be concerned with (1) Changing certain definitions (2) Classification of specific items (3) Allocation of other order milk (4) Butterfat differentials - Class I, Class II and producer (5) Compensatory payment rates (6) Certain base changes (7) Extending the area to include Meigs, Marion and Sequatchie counties, all in the State of Tennessee.

MARKET SUMMARY OCTOBER 1957

The Order MINIMUM uniform price payable to producers for milk delivered during October to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley and McMinn Counties Tennessee is \$4.92 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.2¢ for each one tenth of one percent above or below 4 percent. (See page 3) It is reported by Chattanooga Area Milk Producers' Association that their negotiated premium producer blend price will be \$5.11 for milk testing 4.0% butterfat.

During October 77.0% of total producer milk was priced in Class I at \$5.36 per cwt. with a handler butterfat differential of 7.9¢ and 23.0% was priced in Class II at \$3.55 per cwt. with a butterfat differential of 6.9¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 77.6% and 63.6% respectively.

The daily average deliveries of producer milk during October increased 5.0% compared with September and increased 9.1% compared with October 1956. The daily average use of Class I milk decreased 3.7% compared with September and decreased 5.3% compared with October 1956.

The Order MINIMUM Class I price for November is \$5.30 a decrease of 6 cents from the October price. (Basic formula \$3.55 plus \$1.75 Class I Differential). The butter-powder formula price of \$3.55 per cwt. being the highest of the four alternate price formulas was used to compute the Class I price for November. The Chattanooga Area Milk Producers' Association reports a negotiated premium of 25¢ over Order Class I price for all its producer milk priced in Class I during November 1957.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	<u>Oct. '57</u>	<u>Sep. '57</u>	<u>Oct. '56¹</u>
Number of Plants (Pool and Non-Pool)	21	21	21
<u>GROSS RECEIPTS (DAILY)</u>			
Producer Milk - Cans	-	295,508	325,462
Producer Milk - Bulk Tank	-	80,804	36,968
Total Producer Milk Pounds	395,303	376,312	362,430
% Oct. '57 compared with:	100.0	105.0	109.1
Other Source Milk Pounds	22,220	24,648	29,123
<u>TOTAL MILK POUNDS</u>	417,523	400,960	391,553
% Oct. '57 compared with:	100.0	104.1	106.6
<u>GROSS UTILIZATION (DAILY)</u>			
Class I Milk Pounds			
Fluid Milk	266,380	268,981	282,577
Buttermilk	34,850	34,993	37,089
Chocolate Milk	7,069	7,763	7,355
Fluid Skim	4,455	4,526	4,862
Fluid Creams	1,912	1,821	1,758
Bulk to Non-Handlers	8,320	15,088	6,408
Class I Shrinkage	1,148	2,863	1,701
Inventory Reclassification	(1,235)	(844)	(524)
Overstated Sales	-0-	(4)	(85)
<u>TOTAL CLASS I MILK</u>	322,899	335,187	341,141
% Oct. '57 compared with:	100.0	96.3	94.7
Class II Milk Pounds (Used to Produce)			
Butter	3,926	1,802	4,364
Cottage Cheese	8,398	10,402	7,242
Powder and Condensed Milk	59,788	16,841	18,335
Ice Cream	16,084	15,274	11,417
Inventory Variation	(2,737)	13,239	(655)
Other	9,165	8,215	9,709
<u>TOTAL CLASS II MILK</u>	94,624	65,773	50,412
% Oct. '57 compared with:	100.0	143.9	187.7
% Producer Milk of Gross Class I	122.4	112.3	106.2
% Producer Skim of Gross Class I Skim	121.4	111.6	105.3
% Producer Bf. of Gross Cl. I Bf.	147.9	131.0	131.2
% Producer Milk Priced in Class I	77.0	84.2	88.4

¹/ Revised per audit

NEW MILK BASES FOR 1958

Each producer for the Chattanooga Marketing Area will have a NEW MILK BASE to be used in making payment to such producer during the months of March through July 1958. The 1958 daily average base will be computed by dividing each producer's total milk deliveries to pool plants during September 1957 through January 1958 by the number of days from the first day of delivery to the last day of January, inclusive, but not less than 120 days. From August 1957 through February 1958, producers will be paid a uniform blend price for their total milk deliveries. Producer bases are assigned to payroll accounts as reported by the handler(s) receiving the milk. Producers (particularly partnerships) are urged to see that their account name is correctly listed with the handler receiving their milk. Official Base transfers are necessary in order to transfer milk pounds credit from one producer to another.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR OCTOBER 1957

Based on 21 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test	Cwt. Price @ Test	Value
Gross Class I		10,009,862	3.704		
Less Other Source		572,225	3.830		
Producer Milk Class I	77.0	9,437,637	3.695925	\$5.119781	\$483,186.35
Gross Class II		2,933,344	6.803		
Less Other Source		116,588	0.077		
Producer Milk Class II	23.0	2,816,756	7.081906	5.676515	159,893.58
TOTAL PROD. (Cl.I + Cl.II)	100.0	12,254,393	4.474216		643,079.93
Less Fractional Adjustment					.05
Add Unpriced Milk Allocated to Cl. I		133,151		0.44	585.86
Add Overage Value					2.09
Add Inventory Reclass. Value					49.90
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					6,025.00
TOTAL VALUE AT TEST		12,254,393	4.474216		649,742.73
Less Test Over 4% @ 7.2¢ per point		12,254,393	.474216	.341436	41,840.91
TOTAL VALUE AT 4%		12,254,393	4.0	4.960685	607,901.82
Less Producer-Settlement Fund Reserve		12,254,393		.040685	4,985.70
UNIFORM PRICE f.o.b. POOL PLANT		12,254,393	4.0	4.92	602,916.12

OCTOBER 1957 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Miles)

BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT

(Excludes Premium)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.20	3.6	\$4.632	4.2	\$5.064	4.8	\$5.496	5.4	\$5.928
3.05	4.236	3.65	4.668	4.25	5.10	4.85	5.532	5.45	5.964
3.1	4.272	3.7	4.704	4.3	5.136	4.9	5.568	5.5	6.00
3.15	4.308	3.75	4.74	4.35	5.172	4.95	5.604	5.55	6.036
3.2	4.344	3.8	4.776	4.4	5.208	5.0	5.64	5.6	6.072
3.25	4.38	3.85	4.812	4.45	5.244	5.05	5.676	5.65	6.108
3.3	4.416	3.9	4.848	4.5	5.28	5.1	5.712	5.7	6.144
3.35	4.452	3.95	4.884	4.55	5.316	5.15	5.748	5.75	6.18
3.4	4.488	4.0	4.92	4.6	5.352	5.2	5.784	5.8	6.216
3.45	4.524	4.05	4.956	4.65	5.388	5.25	5.82	5.85	6.252
3.5	4.56	4.1	4.992	4.7	5.424	5.3	5.856	5.9	6.288
3.55	4.596	4.15	5.028	4.75	5.46	5.35	5.892	5.95	6.324

NUMBER OF FARM PAYROLL ACCOUNTS

	1956		1957										
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
New	80	6	7	8	1	0	5	0	0	2	14	17	13
Quit	17	13	65	6	4	4	2	4	0	3	0	12	12
Total	864	857	799	801	798	794	797	793	793	792	806	811	812
Canis	820	811	750	742	732	725	726	714	696	694	700	696	687
Bk.Tank	44	46	49	59	66	69	71	79	97	98	106	115	125

ACTIVITIES OF CHECK TESTERS OCTOBER 1957: Plant Scales checked 7; Plant calls 137; Samples tested - Composite 2,540, Fresh 5,639, Finished Products 195.

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Oct. '56	\$5.08 <u>1</u>	-	-	7.3¢	\$5.32	7.8¢	\$3.60	7.0¢
Nov.	5.02 <u>1</u>	-	-	7.4¢	5.35 <u>1</u>	7.9¢	3.65	7.1¢
Dec.	4.93 <u>1</u>	-	-	7.2¢	5.40 <u>1</u>	8.0¢	3.55	6.9¢
Jan. '57	4.97 <u>1</u>	-	-	7.1¢	5.37 <u>1</u>	7.8¢	3.53	6.8¢
Feb.	4.90 <u>1</u>	-	-	7.1¢	5.36 <u>1</u>	7.7¢	3.24	6.8¢
Mar.	4.76 <u>2</u>	\$5.01 <u>1</u>	\$3.14	7.1¢	5.33	7.7¢	3.18	6.8¢
Apr.	4.55 <u>2</u>	4.90 <u>1</u>	3.09	7.1¢	5.28	7.7¢	3.13	6.8¢
May	4.54 <u>2</u>	4.88 <u>1</u>	3.07	7.1¢	5.28	7.7¢	3.11	6.8¢
June	4.55 <u>2</u>	4.82 <u>1</u>	3.04	7.1¢	5.28	7.7¢	3.08	6.8¢
July	4.69 <u>2</u>	4.96 <u>1</u>	3.00	7.1¢	5.28	7.7¢	3.04	6.8¢
Aug.	4.94 <u>1</u>	-	-	7.2¢	5.28	7.7¢	3.06	6.9¢
Sept.	4.98 <u>1</u>	-	-	7.3¢	5.29 <u>1</u>	7.7¢	3.61	7.0¢
Oct.	4.92 <u>1</u>	-	-	7.2¢	5.36 <u>1</u>	7.9¢	3.55	6.9¢
Nov.	-	-	-	-	5.30 <u>1</u>	7.8¢	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Cond. Mid-West	Chi.92 ^o Butter	Chi.Area Powders	Wisc. Cheese	Cond.	Butter	Butter	4 Tenn. Milk Mfg	
	\$-cwt-3.5%	¢ lb.	¢ lb.	¢ lb.	Mid-West	Cheese	Powder	Milk	
Oct. '56	3.215	60.842	14.225	33.094	3.58	3.30	3.60	3.16	3.60
Nov.	3.256	61.881	14.305	33.000	3.63	3.35	3.65	3.21	3.65
Dec.	3.264	59.934	14.270	33.062	3.62	3.26	3.55	3.21	3.62
Jan. '57	3.254	59.386	14.275	33.250	3.61	3.24	3.53	3.26	3.61
Feb.	3.229	59.375	14.235	33.417	3.58	3.24	3.53	3.24	3.58
Mar.	3.171	59.375	14.230	33.534	3.53	3.24	3.53	3.18	3.53
Apr.	3.098	59.375	14.285	33.218	3.45	3.24	3.53	3.13	3.53
May	3.067	59.375	14.265	33.208	3.42	3.24	3.53	3.11	3.53
June	3.058	59.375	14.305	33.208	3.41	3.24	3.53	3.08	3.53
July	3.042	59.375	14.155	33.208	3.40	3.24	3.53	3.04	3.53
Aug.	3.062	59.597	14.275	33.208	3.42	3.25	3.54	3.06	3.54
Sept.	3.096	61.100	14.355	33.250	3.46	3.32	3.61	3.11	3.61
Oct.	3.135	59.815	14.410	33.250	3.50	3.26	3.55	3.14	3.55

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK ³				Gross Rcpts.	Number of Hdlr.Prod.		Deliveries Per Farm -- Pounds			Prod. Milk Test%
	Gross Cl. I	Prod. Cl. I	Prod. Rcpts.	Base Rcpts.				Prod.	Base	Exc.	
	Cl. I	Cl. I	Rcpts.	Rcpts.				Prod.	Base	Exc.	
Oct. '56	341,141	320,375	362,430	-	391,553	21	864	419	-	-	4.51
Nov.	332,580	311,230	379,289	-	401,712	21	857	443	-	-	4.58
Dec.	303,228	284,777	369,649	-	393,126	20	799	463	-	-	4.51
Jan. '57	322,389	303,901	377,848	-	400,370	20	801	472	-	-	4.53
Feb.	324,782	304,944	384,266	-	408,530	20	798	482	-	-	4.40
Mar. <u>4</u>	317,192	298,741	399,102	345,439	421,610	20	794	503	435	68	4.36
Apr.	313,291	294,353	436,110	351,986	459,174	20	797	547	442	105	4.24
May	304,528	285,623	429,684	349,056	453,586	20	793	542	440	102	4.21
June	285,666	267,244	392,416	334,412	415,521	20	793	495	422	73	4.23
July	297,391	279,329	373,575	322,798	397,274	21	792	472	408	64	4.20
Aug.	323,490	304,724	355,141	-	379,144	21	806	441	-	-	4.19
Sept.	335,187	316,764	376,312	-	400,960	21	811	464	-	-	4.29
Oct.	322,899	304,440	395,303	-	417,523	21	812	487	-	-	4.47

1/ Excludes Premium2/ For statistics only.3/ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base.4/ Audited figures through March 1957